

# DRAFT

COMPTROLLER'S MEMORANDUM NO. 2004- :

TO: Heads of Departments

SUBJECT: Reimbursement of Cellular Phone Charges

Effective immediately, the attached procedures should be used to calculate reimbursement of cellular phone charges. The procedures provide for reimbursing employees who use their personal cellular phones for business use as well as for employees reimbursing departments for personal use of state-owned cellular phones.

Implementation of these procedures will not only provide guidance but will result in uniformity of reimbursements for state departments. Departments should be reviewing cellular phone bills to ensure proper accounting for business and personal use.

Departments should also regularly evaluate cellular phone usage and phone service plans to ensure the most cost effective cellular plan is being utilized.

If there are any questions, please call Wayne Horie of our Accounting Division at 586-0600.

## **CELL PHONE REIMBURSEMENT PROCEDURES**

### **State-Owned Cellular Phones**

Employees must reimburse the State for all personal phone calls. On a monthly basis, the department or agency will provide each employee who has been issued a state-owned cellular phone a copy of his/her individual phone bill. The employee will be required to identify all personal phone calls, and must reimburse the State for the total cost of all personal phone calls.

### **Personal Cellular Phones**

If an employee uses a personal cellular phone in the performance of his or her job function, they may seek reimbursement for such usage.

### **Reimbursement Procedures**

Most cellular phone billing plans offer an established number of minutes of usage during a billing period for one monthly fee. A higher per minute rate is charged if the actual number of minutes of usage exceeds the established allotment of time under the particular billing plan.

For other types of billing or rate plans, the employee must reimburse the State for the actual total amount billed for non-business calls.

### **Personal Use of State-Owned Cellular Phones:**

No later than 15 days after the end of the billing cycle, the employee shall review the bill(s) provided by his / her department and mark all personal calls. A copy of the bill(s) should then be submitted to the department who will calculate the amount to be reimbursed by the employee.

### **Business Use of Personal Cellular Phones:**

The employee shall review the bill(s) for their personal cellular phones and mark all business calls. The employee shall submit a copy of the bill and note on the bill or on an attachment the name of the business party and a statement certifying that the calls were necessary and were for official state business.

### **Reimbursement Calculation:**

The same calculations shall be used for the reimbursement of business calls on a personal cellular phone and personal calls on state-owned phones.

### Usage Charge

Assume the following facts. The calling plan allots 500 minutes of call per billing period at a cost of \$49.99 per billing period. Any minutes in excess of 500 are billed at \$0.30 per minute.

If the actual minutes is less than or equal to the minutes included in the plan, the following example should be used to calculate the amount of the reimbursement.

EXAMPLE: An employee uses 100 minutes of the allotted 500 for personal use, but total usage for the same billing period does not exceed the 500 minutes. The employee should reimburse the State for the 100 minutes of personal use at the rate of \$0.10 per minute ( $\$49.99 / 500$  minutes).

If the actual minutes exceed the total minutes included in the plan, use the following example to calculate the amount of the reimbursement.

EXAMPLE: An employee uses 100 minutes of the allotted 500 for personal use, and total usage of 550 minutes for the same billing period exceeds the 500 minutes by 50 minutes. Total charge before taxes, fees and surcharges is \$64.99 (50 minutes @ \$0.30 per minute + \$49.99). The employee will reimburse the State for the 100 minutes of personal use at the rate of \$0.12 per minute ( $\$64.99 / 550$  minutes)

### Charges Other than Usage:

The employee should also reimburse the State for an allocated portion of taxes, fees and surcharges included on the bill. The allocation percentage is the number of personal minutes divided by the total actual minutes.

EXAMPLE: An employee uses 100 minutes of the allotted 500 for personal use, and total usage of 550 minutes for the same billing period exceeds the 500 minutes by 50 minutes. Amount for charges other than usage was \$15. The employee will reimburse the State 18% ( $100 / 550$ ) of \$15.